

Borders Group

Cabinet Office
100 Parliament Street
London SW1A 2BQ

By email: border.enquiries@cabinetoffice.gov.uk

18 May 2023

Dear Borders Group

Re: The Border Target Operating Model: Draft for Feedback

I am writing on behalf of the UK BioIndustry Association (BIA) to provide feedback on the draft Border Target Operating Model and support the more detailed submissions you will have received from our members.

The BIA is the voice of the innovative life sciences and biotech industry, enabling and connecting the UK ecosystem so that businesses can start, grow and deliver world-changing innovation.

Established 33 years ago, BIA has more than 500 members including:

- Start-ups, biotechnology and innovative life science companies
- Pharmaceutical and technological companies
- Universities, research centres, tech transfer offices, incubators and accelerators
- A wide range of life science service providers: investors, lawyers, IP consultants, and investor relations agencies

We represent a growing industry of the future, one in which the UK truly leads the world. Our members are largely focused on developing new medicines and improving healthcare, but many are applying the power of biology to other challenges, such as replacing fossil fuels and addressing climate change. Others are developing and supplying high-value products for the UK's universities and innovative businesses, allowing them to conduct ground-breaking research and development (R&D).

Government figures show there are over 6,548 businesses in the UK life sciences industry, 70-80% of which are small and medium sized enterprises (SMEs).¹ These businesses employ over 282,000 people and generated £94.2 billion of turnover in 2021. The number of businesses and the number of sites operated by these businesses have both seen an upward trend since 2009, with 23% more businesses and 32% more sites operating in 2021 compared to 2009.

Equity investment into life science SMEs in the UK has risen dramatically over the past decade, creating new companies and jobs, and accelerating innovation. In 2012, life science spin-outs, start-ups and SMEs raised £286 million in equity finance. This rose to £4.5 billion by 2021, but as fallen back to £1.7 billion in 2022 as a result of the global economic uncertainty hitting investment

¹ <https://www.gov.uk/government/statistics/bioscience-and-health-technology-sector-statistics-2021/bioscience-and-health-technology-sector-statistics-2021>

in all sectors.² As a result of this increase in venture capital investment, the UK accounts for 35% of all life science start-ups created in Europe since 2012.³

The companies, whether they are doing ground-breaking R&D or manufacturing life science products, including medicines and vaccines, rely on a complicated cross-border supply chain of valuable products, many of which are of animal or plant origin. Examples include antibodies, enzymes and biological samples.

We welcome the UK Government's willingness to create a Border Target Operating Model (TOM) which builds upon the learnings of other global models and new technology to streamline import and export trade processes for business. There is an opportunity to design a world-leading border control regime that supports innovation and enables the UK Life Sciences Vision if the UK Border Control Strategy and TOM adequately recognise a new category of life sciences products and traders.

Overall, if not properly defined and implemented with due time for preparedness, the new sanitary and phytosanitary goods regimes will impact our life sciences supply chain and could result in increased costs, increased resource needs, lower customer satisfaction and/or lost revenue in case of rejected shipments. It could also have wider knock-on effects on society including potential shortages or delays to R&D, clinical trials in the NHS and manufacture of life saving and life enhancing medicines and vaccines at a time when we are still trying to recover from and meet the backlog and growing demand caused by the COVID-19 pandemic.

Our members have submitted detailed concerns and questions about the TOM that we ask the Government to address with urgency. These cover the following areas:

- The need for greater clarity and certainty
- The need for more time for proper preparedness
- The need for additional clarity on categorisation & risk classification

We would welcome the opportunity to convene a meeting between the Borders Group and our members to discuss these issues in depth.

Yours sincerely



Steve Bates OBE
Chief Executive, BIA

Contact: Martin Turner, Head of Policy and Public Affairs. mturner@bioindustry.org.

² <https://biotechfinance.org/>

³ <https://www.mckinsey.com/industries/life-sciences/our-insights/biotech-in-europe-a-strong-foundation-for-growth-and-innovation>